



Mission-Related Investment (MRI)* or Impact Investment

Any investment that may secure a financial return while advancing the organization's charitable mission

Cash deposits with community banks and credit unions

Fixed-income investments, including municipal bonds

Public equity and equity funds, including negative and positive screens

Private equity and venture capital

Subject to Prudent Investor Standards

Not Subject to Prudent Investor Standards

Program-Related Investment (PRI)

A below-market rate MRI that meets three criteria:

- 1) Primary purpose is to accomplish the organization's charitable objectives
 - The investment significantly furthers the organization's exempt activities
 - The investment would not have been made but for the close relationship between the investment and the organization's purpose
- 2) Generating financial return is not a significant purpose of the investment
 - A market-rate investor would not make the same investment on the same terms (i.e., greater risk and/or lower return than what a market-rate investor would demand)
 - Primary focus is on the investment's charitable impact and how it aligns with the organization's charitable objectives
- 3) Not used to influence legislation or for political purposes

*Note: There is no legal definition of MRIs. Some view MRIs and PRIs as distinct types of investments, while others regard PRIs as a subset of MRIs. There is a legal definition –in the tax code –of PRIs.



Nutter helps private foundations and for-profits:

- Design MRI strategies and policies
- Identify and evaluate MRI/PRI opportunities
- Structure PRI agreements with recipient organizations
- Prepare PRI legal opinions that foundation managers may rely on to avoid excise taxes
- Satisfy PRI tax reporting and compliance requirements
- Navigate requirements for PRIs to non-charitable recipient organizations